

**EXTRACT FROM THE
RULE ON THE ISSUE AND REVOCATION OF THE LICENCES FOR MANAGEMENT
COMPANIES AND INVESTMENT COMPANIES WITH VARIABLE CAPITAL
APPROVED BY RESOLUTION No. 7 of 30 JULY 2003 AND AMENDED BY
RESOLUTION No. 1K-15 of 5 APRIL 2007 OF THE LITHUANIAN SECURITIES
COMMISSION**

**„X. ACTIVITIES OF THE FOREIGN MANAGEMENT COMPANIES AND INVESTMENT
COMPANIES WITH VARIABLE CAPITAL IN THE REPUBLIC OF LITHUANIA**

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61. A management company or an investment company with variable capital licensed in a foreign State and seeking to distribute its investment units or shares in the Republic of Lithuania shall submit to the Securities Commission:

61.1. a notification letter on the intention to distribute publicly in the Republic of Lithuania the investment units or shares of the collective investment undertaking ;

61.2. a valid attestation by the registered supervisory authority of the home Member State of the compliance by the foreign collective investment undertaking with the requirements of the legal acts of the European Union or a copy thereof certified by responsible persons of the management company or the investment company with variable capital (or its equivalent);

61.3. the incorporation documents of the collective investment undertaking whose investment units or shares are intended for distribution;

61.4. the full and simplified prospectus;

61.5. the most recent annual report of the collective investment undertaking and the semi-annual report if such has been prepared following the annual report;

61.6. the procedure for the distribution of the investment units or shares in the Republic of Lithuania (the specific information related to the distribution of investment units or shares in the Republic of Lithuania) providing sufficient information to enable the Commission to decide on the compliance of the intended procedure for distribution or redemption of the investment units or shares with the legal acts of the Republic of Lithuania, and whether the procedure is able to guarantee the fair disbursement of the funds generated from the redeemed investment units or shares and the provision of information;

61.7. the written confirmation of the responsible persons of the management company or the investment company with variable capital (or its equivalent) that the Commission is being submitted all valid and the most recent documents specified in items 61.3, 61.4 and 61.5 of the present Rule.

61¹. The information specified in items 61.1, 6.2 and 61.6 is recommended to be presented in the form specified in Annexes 6, 7 and 8 of the present Rule.

62. Any changes of the data specified in item 61 of the present Rule shall be immediately notified to the Commission. The changes shall be notified to the Commission not later than within 3 days after the distributor finds out or should have found out about the changes concerned. Information published in the web page referred to in item 68.2 of the present Rule shall be updated within the same time limits.

63. The management company may start distributing the investment units or shares of the collective investment undertakings managed thereby and complying with the requirements of the legal acts of the European Union after it receives the notice that the Commission has familiarised

itself with all the documents specified in item 61 of the present Rule and does not object to the procedure of the distribution of investment units or shares in the Republic of Lithuania. Where the Commission does not provide such notice, the management company or an investment company with variable capital (or its equivalent) may start distributing the investment units or shares upon the expiry of the two months' period after the Commission receives the complete information specified in item 61 of the present Rule.

63¹. The two month's period referred to in item 63 of the present Rule shall not commence where the Commission has been provided with incomplete, inaccurate or non-compliant information.

63². Not later than within one month from the receipt of the complete information and documents specified in item 61 of the Rule the Commission shall notify the management company or the investment company with variable capital (or its equivalent) thereof, specifying the date of the receipt of the information starting from which the management company or the investment company with variable capital (or its equivalent) may start distributing its investment units or shares, unless the Commission passes the decision specified in item 64 of the present Rule.

63³. Having received an incomplete information or documents referred to in item 61 of the present Rule the Commission shall not later than within one month notify the management company or the investment company with variable capital (or its equivalent) of the incompleteness of the information.

64. The distribution of investment units or shares in the Republic of Lithuania shall not be commenced in case the Commission, exercising its right established in Article 61(3) of the Law on Collective Investment Undertakings, within two months from the receipt of the complete information specified in item 61 of the present Rules passes a reasoned decision not to authorise the distribution of investment units or shares in the Republic of Lithuania for one or several of the following reasons:

64.1. the procedure for the distribution of the investment units or shares in the Republic of Lithuania contradicts the legal acts of the Republic of Lithuania;

64.2. the procedure for the distribution of the investment units or shares in the Republic of Lithuania cannot secure the fair disbursement of funds generated from the redemption of investment units or shares;

64.3. the procedure for the distribution of the investment units or shares in the Republic of Lithuania cannot secure the adequate provision of information;

64.4. the supervision of the management company or the investment company with variable capital (or its equivalent) licensed in a non-Member State does not comply with the requirements of the legal acts of the European Union or the Securities Commission has not concluded with the foreign supervisory authority any agreements ensuring the adequate supervision of the operations and the provision of information.

64¹. Having established the basis referred to in items 64.1, 64.2, 64.3 and/or 64.4 of the present Rule for not authorising the distribution of the investment units or shares in the Republic of Lithuania the Commission may in advance notify the management company or the investment company with variable capital (or its equivalent) thereof by a reasoned letter. In this case the course of the two months' period provided for in item 63 of the present Rule shall be suspended. The course of the period shall be renewed after the Commission receives the corrected and/or supplemented documents of the management company or the investment company with variable capital (or its equivalent).

65. Where a management company or an investment company with variable capital (or its equivalent) intends to distribute publicly in Lithuania investment units or shares of only part of the sub-funds managed thereby, it shall provide to the Securities Commission the documents referred to in item 61 of the present Rule of such sub-funds only. In this case the Commission shall be submitted only one notification letter referred to in item 61.1 of the present Rule common to all sub-funds.

65¹. In the event of an intention to start the distribution of the investment units or shares of a sub-fund of a collective investment undertaking that has been already referred to in the attestation of the foreign supervisory authority specified in item 61.2 of the present Rule, and there had not been any previous intention to distribute the investment units or shares of the sub-fund publicly and no procedure for the distribution of the investment units or shares had been previously submitted, – the submission shall contain the notification letter indicated in item 61.1 of the present Rule, and the simplified prospectus of the sub-fund, and a separate document set forth in item 61.6 of the present Rule, or its appropriate amendments provided that the remaining previously submitted information has not changed. In this case the two months' term specified in item 63 of the present Rule shall be dispensed with.

66. In case of an intention to start the distribution of investment units or shares of a sub-fund of a collective investment undertaking that was not specified in the attestation referred to in item 61.2 of the present Rule and other documents related thereto, also in the event of an intention to start the distribution of investment units or shares of new sub-funds, all document referred to in item 61 shall be supplied and the two months' term referred to in item 63 of the present Rule shall apply.

67. In case of any material changes in the information provided in item 61.6 of the present Rule (e.g., changes in the procedure for the distribution or redemption of investment units or shares), the procedure and the two month's term referred to in item 63 of the present Rule shall apply.

68. The procedure for the submission of the documents to the Commission:

68.1. all documents shall be submitted in one copy and signed by responsible persons;

68.2. a reference shall be provided to the Internet website used to publish the documents of incorporation of the collective investment undertaking, documents related to the procedure for the distribution of investment units or shares in the Republic of Lithuania, prospectuses and reports;

68.3. documents drafted in the original language shall be provided accompanied with the translation into Lithuanian, with an exception of the notification letter provided for in item 61.2 of the present Rule which may be provided in the English language;

68.4. in case several collective investment undertakings or several sub-funds of a single collective investment undertakings operate under one single prospectus, the Securities Commission may be filed only one copy of such prospectus. In the event several sub-funds of a single collective investment undertaking the distribution of the investment units or shares whereof is notified to the Securities Commission operate under identical but separate prospectuses, the Securities Commission shall be submitted one copy of the prospectus with a written confirmation of the responsible persons of the management company or the investment company with variable capital that the prospectuses of all sub-funds are identical.

69. All documents disclosed publicly and submitted to the Securities Commission as well as the information published shall contain the name of the foreign collective investment undertaking provided for in its instruments of incorporation. The translation of the name into the Lithuanian language may be provided as additional information only”.

